

Message Text

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15

ORIGIN XMB-07

INFO OCT-01 EUR-25 EA-11 ADP-00 AID-20 CIAE-00 COME-00

EB-11 FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 OPIC-12

CIEP-02 OMB-01 PA-03 PRS-01 USIA-15 /122 R

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APPROVED BY: EB/OCA/REP:LHPOMEROY

XMB:EBYOUNG

XMB:DBOSTWICK

EB/IFD/ODF:EMLINTON

EA/PHL:MEASTON

EUR/WE:GSHEINBAUM

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R 010109Z SEP 73

FM SECSTATE WASHDC

TO AMEMBASSY THE HAGUE

AMEMBASSY MANILA

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E.O. 11652: NA

TAGS: EGEN

1. THE BOARD OF DIRECTORS OF EXIMBANK ON AUGUST 13 AUTHORIZED A DOLS 16,853,670 CREDIT TO A CORPORATION TO BE ESTABLISHED BY A SYNDICATE OF DUTCH COMMERCIAL BANKS TO FINANCE 40.5 PERCENT OF THE COST OF TWO DC-10-30 AIRCRAFT HAVING A TOTAL PURCHASE PRICE OF DOLS 41,614,000 TO BE LEASED TO KLM WHICH WILL SUB-LEASE THE AIRCRAFT TO PHILIPPINE AIRLINES. TERMS CALL FOR THE BORROWER TO MAKE A CASH PAYMENT OF 10.0 PERCENT OF THE COST OR DOLS 4,161,400. MCDONNELL DOUGLAS CORP. WILL PARTICIPATE IN THE FINANCING TO THE EXTENT OF 4.5 PERCENT OR DOLS 1,877,630. THE BALANCE OF 45.0 PERCENT OR DOLS 18,726,300 WILL BE EXTENDED BY COMMERCIAL BANKS TO BE SELECTED AND WILL NOT BE GUARANTEED BY EXIMBANK. REPAYMENT

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TO BE MADE SEMIANNUALLY OVER A PERIOD OF 10 YEARS, BEGINNING

ABOUT SIX MONTHS AFTER DELIVERIES.

2. THE BOARD OF DIRECTORS ALSO AUTHORIZED A DOLS 3,106,350 CREDIT TO KLM TO FIANCE 40.5 PERCENT OF THE COST OF THE SPARE ENGINES, SPARE PARTS, AND RELATED EQUIPMENT FOR ABOVE DC-10 AIRCRAFT, HAVING A TOTAL PURCHASE PRICE OF DOLS 7,670,000. TERMS CALL FOR THE BORROWER TO MAKE A CASH PAYMENT OF 10.0 PERCENT OF THE COST OR DOLS 767,000. MCDONNELL DOUGLAS CORP. WILL PARTICIPATE IN THE FINANCING TO THE EXTENT OF 4.5 PERCENT OR DOLS 345,150. THE BALANCE OF 45.0 PERCENT OR DOLS 3,451,500 WILL BE EXTENDED BY COMMERCIAL BANKS TO BE SELECTED AND WILL NOT BE GUARANTEED BY EXIMBANK.

REPAYMENT TO BE MADE SEMIANNUALLY OVER A PERIOD OF 10 YEARS, BEGINNING ABOUT SIX MONTHS AFTER DELIVERIES.

3. THE BOARD OF DIRECTORS ALSO AUTHORIZED AN AMENDMENT OF CREDIT NO. E-2323 AND GUARANTEE NO. E-2324 APPROVED FEBRUARY 1, 1973, IN FAVOR OF PHILIPPINE AIRLINES COVERING PURCHASE OF DOLS 1.0 MILLION OF GROUND SUPPORT EQUIPMENT: (1) INCREASING BOTH CREDIT AND GUARANTEE FROM DOLS 450,000 TO DOLS 562,500 TO COVER AN INCREASE OF DOLS 250,000 IN PROPOSED PURCHASES, (2) AMENDING THE REPAYMENT TERM FROM 10 SEMI-ANNUAL INSTALLMENTS BEGINNING FEBRUARY 10, 1974, TO 20 SEMI-ANNUAL INSTALLMENTS BEGINNING FEBRUARY 10, 1975, AND (3) EXTENDING THE AVAILABILITY DATE OF THE CREDIT FROM SEPT. 30, 1973, TO DECEMBER 31, 1974.

4. REQUEST RESPECTIVE EMBASSIES ADVISE KLM AND PAL OF THESE ACTIONS, WHICH WILL BE DETAILED IN LETTERS TO THEM WITH COPIES TO EMBASSIES. FURTHER ADVISE BORROWER NEWS RELEASE INCLUDING ABOVE DETAILS SCHEDULED FOR ANNOUNCEMENT HERE NEXT FEW DAYS. EMBASSIES WILL BE PROVIDED ADVANCE TEXT FOR THIER INFORMATION PRIOR TO WASHINGTON RELEASE. OTHER THAN DISCUSSION WITH BORROWERS, IT IS IMPERATIVE ABOVE INFORMATION BE WITHHELD PRIOR TO SUBJECT PRESS RELEASE. ROGERS

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